

Accounting and Finance Special Issue

Research on Application and Impact of the hedge accounting requirements of IFRS 9 *Financial Instruments*

*Opportunity to discuss research evidence with IASB staff/board members
Opportunity to show impact of your research*

Accounting and Finance is pleased to announce a call for papers for a Special Issue of the journal on the topic of the application and impact of the hedge accounting requirements in IFRS 9 *Financial Instruments* (and related new disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*).

Papers published in the Special Issue should be relevant to the International Accounting Standards Board's (IASB) post-implementation review of IFRS 9 Hedging requirements. The IASB seeks evidence about: whether the requirements are working as intended; any important or contentious issues that have come to the attention of the IASB; and any unexpected costs or implementation issues. The IASB will consider when to begin the review in the second half of 2023.

Changes to IFRS 9 Hedging model

The changes in hedge accounting requirements introduced by IFRS 9 aimed to provide a better link between a company's financial reporting and its risk management activities. Changes included the following:

1. Allowing hedging of components of non-financial items to allow companies to better reflect risk management.
2. New eligibility criteria for hedging based on economic assessment of hedging relationships. The application of these criteria can use risk management data and may reduce the cost of hedge accounting.
3. Improved disclosures about the effect of hedging on the financial statements and risk management activities.

Aim and content of submitted papers

Papers should investigate the impact of these changes for financial sector and non-financial entities that have adopted the hedging model in IFRS 9. They should present evidence about the impact of the change for one or more stakeholder groups (including investors, preparers, auditors, and regulators) and include consideration of outcomes and consequences of adoption the new hedging requirements. Both quantitative and

qualitative research approaches are welcome. Suggestions for research include, but are not limited to, the following:

1. Textual analysis of disclosures about hedging activities and risk management.
 - a. How have disclosures (and disclosure quality) changed? Has the usefulness of disclosures for investors improved?
 - b. What factors are associated with better hedge accounting disclosures?
 - c. What costs or benefits of better disclosure are observed?
2. Experiments
 - a. To what extent do the new disclosures facilitate improved understanding of risk management or the impact of hedge accounting on the financial statements?
3. Structured interviews, case studies, and focus groups to explore
 - a. Costs, benefits, and transition experience for companies that have adopted IFRS 9.
 - b. Benefits for users of more transparent disclosures about hedging activities and risk management.
4. Empirical archival research using a pre-post design including companies adopting IFRS 9 and those continuing to use IAS 39 for hedging.
 - a. What are the determinants of adopting IFRS 9?
 - b. Have companies changed their use of hedging, and is this associated with better risk management outcomes?
 - c. What are the market impacts of the new hedging requirements?

Papers using analytical approaches, empirical-archival methods, field study methods, experiments, or structured interviews are encouraged. Single country or multi country studies are welcome. Papers submitted to the Special Issue offer authors the opportunity to contribute to the work of the IASB and to demonstrate the impact of their research. Authors should explain how their paper is relevant to the IASB and how the evidence is useful for the post-implementation review.

The Appendix lists sources of additional information on the hedge accounting requirements in IFRS 9.

Authors of selected papers will be invited to present their work at an on-line research workshop with the Special Issue editors and IASB staff/board members in **October 2023**. The workshop will provide an opportunity to discuss the research methods and findings.

Papers must be submitted via the online system no later than **1 September 2023**. Early submission is encouraged. Decisions on submitted papers will be made by **8 October 2023**.

To submit your paper, please follow the Accounting & Finance Author Guidelines at <https://onlinelibrary.wiley.com/page/journal/1467629x/homepage/forauthors.html>.

Please submit your paper for consideration under the Special Issue Code – **IFRS 9**.

Special Issue Guest Editors

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Please email the guest editors if you have any questions.

Appendix: Additional information about the hedge accounting requirements in IFRS 9

- Overview of IFRS 9: <https://www.ifrs.org/issued-standards/list-of-standards/ifrs-9-financial-instruments/>
 - List of supporting materials: [IFRS - Financial Instruments: Hedge Accounting](#)
 - Project Summary: [IFRS 9 FI Hedge Accounting Amendments FBS Snapshot NOVEMBER 2013.indd](#)
 - Articles: <https://www.ifrs.org/-/media/feature/resources-for/investors/investor-perspectives/investor-perspective-jul-2014.pdf>